liability on the ground that the lack of a stamp rendered the note void under English law. *Held,* that the validity of the note depended upon the law of the place where it was payable. *Beadall v. Moore* (1922) 199 App. Div. 531, 191 N. Y. Supp. 826.

It is generally held that the formal requirements of bills and notes which are payable at the place of execution are governed by the law of the place where they are made. *Conner v. Elliot* (1920) 79 Fla. 513, 85 So. 164; Lorenzen, *Conflict of Laws as to Bills and Notes* (1917) 35. Applying this theory, some courts have held that if the absence of a stamp renders a note void at the place where it is made, it is void everywhere. *Satterthwaite v. Doughty* (1853) 44 N. C. 314; *Fant v. Miller* (1866, Va.) 17 Gratt. 47. Notes which are payable at a place other than the place where they are made have been considered as not within the rule of the *lex loci contractus.* Their validity is controlled by the law of the place of payment. *McCabe v. Williams* (1920, N. D.) 177 N. W. 378; *Brown v. Gates* (1904) 120 Wis. 349, 98 N. W. 205; see Story, *Bills of Exchange* (4th ed. 1860) 144. It seems that the rule of the *lex loci solutionis* should apply also to bills and notes in which the place of execution and payment coincide, since the term "place of payment" includes the place of making. The rules laid down in the above cases and the instant decision appear to be based upon the theory that the validity of the instrument depends upon the law of the place with reference to which the parties intended to contract. See *Zimmerman v. Brown* (1917) 30 Idaho, 640, 166 Pac. 924. Inasmuch as modern commercial conditions require a definite, consistent rule, it would probably be more desirable to hold a negotiable instrument valid, in so far as form is concerned, if it complies with the law of any state with which the contract has a substantial relation, than to make its validity depend upon the presumed intention of the parties. This rule should be applied if the lack of a stamp renders the note invalid at its inception. If the absence of a stamp, however, has no effect upon the substance of the instrument, but merely affects its admissibility in evidence, the defect is generally disregarded by the court of the forum as a mere procedural requirement of another jurisdiction. Westlake, *Private International Law* (5th ed. 1912) sec. 209; Hibbert, *International Private Law* (1918) 132, 133. The court based its decision in the instant case partly upon the ground that no territorial effect should be allowed to foreign revenue laws, a principle which seems open to criticism. Lorenzen, *op. cit.* 44; but see Foote, *Private International Jurisprudence* (4th ed. 1914) 358.

CONSTITUTIONAL LAW—REVOCATION OF LICENSE OF FOREIGN CORPORATION FOR REMOVING SUIT TO FEDERAL COURTS—UNCONSTITUTIONAL CONDITIONS.—The plaintiff, a Missouri corporation, licensed to do business in Arkansas, brought an original suit in the federal court of Arkansas and also removed to the same court a suit brought against it. A statute required the Secretary of State of Arkansas, the defendant, to revoke the license of a foreign corporation that invoked the federal jurisdiction. The plaintiff sought to enjoin the revocation. *Held,* that an injunction should be granted. *Terral v. Burke Construction Co.* (1922) 42 Sup. Ct. 188.

The instant case, expressly overruling two previous decisions, and definitely establishing the rule that a state cannot compel a foreign corporation to refrain from removing suits to the federal jurisdiction, should settle a controversy of long standing, which had its origin in the case of *Paul v. Virginia* (1869, U. S.) 8 Wall. 168, and which has given rise to considerable uncertainty. The broad language of that case allowed complete freedom to the states in their treatment of foreign corporations not within the scope of the commerce clause. A state could exclude such corporations entirely and thus could impose any conditions

whatever upon their admission. To prohibit a foreign corporation from bringing suit in a federal court was a familiar condition. The court soon realized that the doctrine as expressed in the Virginia case was too broad, and hence gave effect to an earlier statement to the effect that qualifications for the admission of foreign corporations must not be "repugnant to the constitution or laws of the United States." *Lafayette Ins. Co. v. French* (1856, U. S.) 18 How. 404, 407. Consequently it was held that an agreement not to remove to the federal courts was a violation of the corporation's constitutional privilege and that the corporation could repudiate such an agreement. *Insurance Co. v. Morse* (1874, U. S.) 20 Wall. 445. When the question was raised again, however, the court wished to avoid the *Morse* case, and yet not overrule it. The result reached was that a state could not enforce a contract not to remove a suit, but could punish the corporation by expulsion if it availed itself of this constitutional privilege. *Doyle v. Continental Ins. Co.* (1877) 94 U. S. 535. To overcome this dilemma, the court later held that a law imposing such a condition was void and of no effect. *Barron v. Burnside* (1887) 121 U. S. 186, 7 Sup. Ct. 931. This should have ended the controversy, but in the case of *Security Mutual Ins. Co. v. Prewitt* (1906) 200 U. S. 446, 26 Sup. Ct. 314, aff'd (1906) 202 U. S. 246, 26 Sup. Ct. 619, the court reverted to its previous decision in the *Doyle* case and held that a state could expel a corporation for not complying with the condition. This decision was again unsatisfactory and was gradually broken down. *Harrison v. St. Louis & San Francisco Ry.* (1914) 232 U. S. 318, 34 Sup. Ct. 333; Henderson, *Position of Foreign Corporations in American Constitutional Law* (1918) chs. 6, 8. It was not until the instant case that the *Doyle* and *Prewitt* cases, subjected to much criticism, were expressly overruled with no attempt made to distinguish them. It may be hoped that the rule is finally settled.

CORPORATIONS—NEGLIGENCE—STOCK CERTIFICATE SIGNED IN BLANK BY OFFICERS AND STOLEN BY EMPLOYEE.—Stock certificates signed in blank by the president and treasurer of the defendant corporation were left in the custody of its transfer agent. A clerk who assisted the transfer agent and had access to the certificates, abstracted one, filled it out in his own name, forged the name of the registrar of the corporation, and pledged it to the plaintiff as security for a loan. The loan not having been paid and the corporation having refused to transfer the stock on its books, the plaintiff sued to recover damages for the loss sustained. *Held,* (two judges *dissenting*) that the plaintiff could not recover. *Hudson Trust Co. v. American Linseed Co.* (1922) 232 N. Y. 350, 134 N. E. 178.

The doctrine that a corporation is liable for fraudulent issues of certificates of stock made by its transfer agent is well established in this country. *N. Y., N. H. & H. Ry. v. Schuyler* (1865) 34 N. Y. 30; *Allen v. South Boston Ry.* (1889) 150 Mass. 200, 22 N. E. 917; but see *Moores v. Citizen's Nat. Bank* (1884) 111 U. S. 156, 4 Sup. Ct. 345. It has no application to the instant case, however, since the particular clerk was not clothed with general authority to issue stock. The liability of the corporation was invoked on the ground that it was negligent in making the issuance of the certificate possible. Certificates of stock are quasi-negotiable instruments, and where the owner entrusts them to an agent for a prescribed purpose and the agent pledges them as security for a loan to himself, the owner is estopped to assert his ownership. *National Safe Deposit Co. v. Hibbs* (1913) 229 U. S. 391, 33 Sup. Ct. 818; *Union Trust Co. v. Oliver* (1915) 214 N. Y. 517, 108 N. E. 809 On the other hand, where a servant simply has access to a certificate in the possession of the owner and steals it, the owner may reclaim the certificate from innocent purchasers. *Knox v. Eden Musée Americain Co.* (1896) 148 N. Y. 441, 42 N. E. 988. The instant case falls within the latter principle. Possession of the certificates was entrusted to the